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HOWEY CONSOLIDATED MINES LIMITED

Explanatory Information

HOWEY CONSOLIDATED MINES LIMITED

Explanatory Information

A Special General Meeting of the Shareholders of Howey Consolidated Mines Limited ("Howey") has been called in conjunction with the Annual Meeting of Shareholders by the accompanying Notice of Meeting, to consider certain corporate actions designed to bring about the proportionate distribution of all of the assets of Howey among its shareholders and the winding up of Howey.

The principal steps in this connection are listed below.

AGREEMENT RESPECTING ACQUISITION OF SHARES OF GOLDFIELDS MINING CORPORATION LIMITED (Non-Personal Liability)

Goldfields Mining Corporation Limited (Non-Personal Liability) ("Goldfields") is a company incorporated under the laws of Saskatchewan, having similar objects and, with the exception of the holdings of Howey in Geco Mines Limited and Canadian Devonian Petroleum Limited ("Canadian Devonian") similar assets and investments to those of Howey. Goldfields has an authorized capital of 10,000,000 shares of which 8,244,022 are presently issued and outstanding, leaving 1,755,978 shares unissued. A copy of the annual financial statements of Goldfields as at the end of its last fiscal year, February 28, 1963, together with pro forma financial statements indicating the status of Goldfields after giving effect to the agreement hereinafter referred to, is included later in this booklet.

An agreement dated as of July 3, 1963, between Howey and Goldfields has been entered into whereunder all of the present assets of Howey, with the exception of its holdings of shares in Geco Mines Limited and Canadian Devonian, subject to its liabilities, will be transferred to Goldfields, in consideration for 1,755,978 fully paid and non-assessable shares of Goldfields. As incidental to this transaction Howey has agreed to purchase additional shares of Goldfields at the market price so that on its completion Howey will hold 2,000,000 shares of Goldfields. Since there are 2,000,000 shares of Howey presently outstanding the effect will be that Howey will thus have 1 share of Goldfields for each 1 share of Howey outstanding, available for distribution to the shareholders.

The foregoing agreement is subject to approval by the shareholders of Howey of a special resolution previously passed by the directors of Howey as well as a resolution confirming the said agreement. Copies of the agreement, the special resolution and the proposed form of resolution to be passed by the shareholders of Howey are contained in a later part of this informational booklet.

DISTRIBUTION OF ASSETS OF HOWEY

After giving effect to the foregoing agreement the remaining assets of Howey will consist of the following—

- 100,000 shares of Geco Mines Limited,
- 1,600,000 shares of Canadian Devonian Petroleum Limited, and
- 2,000,000 shares of Goldfields Mining Corporation Limited (Non-Personal Liability).

If approval is given to the distribution of the foregoing assets proportionately amongst the shareholders, each shareholder of Howey will receive his proportionate share of these assets on the basis of 1 share of Geco Mines Limited, 16 shares of Canadian Devonian and 20 shares of Goldfields for each 20 shares of Howey presently held. In order to avoid distribution of fractional shares, a major shareholder has agreed, where necessary, to adjust in cash the various distributive portions of each shareholder of Howey on the basis of the present market price of the above-mentioned securities.

The solicitors and auditors of Howey have given an opinion that since Howey has no undistributed income on hand within the meaning of the Income Tax Act, no Canadian income tax will arise in the hands of the shareholders of Howey by virtue of such distribution.

In order to effect the foregoing distribution it is necessary that an application be made to the Provincial Secretary of Ontario for an order accepting the surrender of the charter of Howey and, as incidental thereto, the distribution rateably among the shareholders of Howey of the remaining property of Howey. The shareholders are consequently being asked to pass a resolution authorizing such an application (a copy of the proposed form of which resolution is included later in this material).

PROPOSALS RESPECTING CANADIAN DEVONIAN PETROLEUMS LIMITED

It has been announced that, subject to shareholders' approvals in each of the companies concerned, certain corporate steps are proposed whereby Canadian Devonian, having changed its name to TECK CORPORATION LIMITED, will own directly not only the assets and investment holdings presently held by it but also those of The Teck-Hughes Gold Mines, Limited ("Teck-Hughes"), including those accruing to Teck-Hughes by reason of the proposed distribution of the assets and winding up of Howey, and those in its then wholly-owned subsidiary, Lamaque Mining Company Limited.

Since Howey holds shares of Canadian Devonian which are to be distributed to its shareholders, a brief summary of the companies concerned and of the proposed steps is contained below.

Canadian Devonian has an issued capital of 3,429,664 shares outstanding (with a further 100,000 shares reserved for an Employee Stock Option Plan) and is primarily engaged in the exploration for and production of petroleum products in western Canada, with its principal asset consisting of its interest in production from the unitized Steelman Oil Field in Saskatchewan. Teck-Hughes has an issued capital of 4,862,150 shares outstanding and besides its producing gold mine at Kirkland Lake, Ontario, and its holdings of shares of Howey has as its principal asset 83% of the outstanding shares of Lamaque Gold Mines Limited ("Lamaque"), of which company Lamaque Mining Company Limited is the wholly-owned subsidiary. Lamaque Mining Company Limited has as its principal assets a producing gold mine at Bourlamaque, Quebec, together with substantial holdings of mining investments.

Teck-Hughes proposes to enter into an agreement with Lamaque providing for the purchase by Teck-Hughes of all the assets of Lamaque (being substantially only shares in Lamaque Mining Company Limited) for 1,044,100 fully paid and non-assessable shares of Teck-Hughes (to be issued after the increase in the authorized capital of Teck-Hughes effected by the grant of Supplementary Letters Patent thereto). Since Teck-Hughes will waive its distributive share of the foregoing consideration on the subsequent winding up of Lamaque, all of these shares will be receivable proportionately by the other shareholders of Lamaque on the basis of 2 shares of Teck-Hughes for each share of Lamaque held by them.

Canadian Devonian, having changed its name to TECK CORPORATION LIMITED, in order to indicate the diversity of its nature and holdings as a result of the steps being described, proposes to enter into an agreement with Teck-Hughes providing for the purchase by Canadian Devonian of all the assets of Teck-Hughes, save and except its holdings of shares of Canadian Devonian, for a consideration to be satisfied by 1,370,500 fully paid and non-assessable shares of Canadian Devonian subject to increase or reduction as in the agreement provided. This share consideration will be such that upon the subsequent winding up of Teck-Hughes, the shareholders of Teck-Hughes will receive 2 shares of Canadian Devonian for each 5 shares of Teck-Hughes held by them. Insofar as the shareholders of Lamaque are concerned, the foregoing ratio is equivalent to 4 shares of Canadian Devonian for each 5 shares of Lamaque held.

It should be pointed out that the foregoing steps are described here for informational purposes only and that no action in respect thereof is required to be taken by the shareholders of Howey.

July 31, 1963

Special Resolution

BE IT RESOLVED, as a special resolution of the Company, that:

- (a) The Company do enter into an agreement in the form submitted to this meeting with Goldfields Mining Corporation Limited (Non-Personal Liability) whereunder the Company disposes of its assets and undertaking as a going concern, save and except its shareholdings of Canadian Devonian Petroleum Limited and Geco Mines Limited and its proposed shareholding of Goldfields Mining Corporation Limited (Non-Personal Liability), in consideration of the issuance to the Company of One Million Seven Hundred and Fifty-five Thousand Nine Hundred and Seventy-eight (1,755,978) fully paid and non-assessable shares in the capital stock of Goldfields Mining Corporation Limited (Non-Personal Liability) together with the assumption by Goldfields Mining Corporation Limited (Non-Personal Liability) of all the Company's liabilities (except its liabilities to capital stock and surplus and as in the agreement provided) and subject to the other terms and conditions set out in the said agreement; and
- (b) The proper officers of the Company be and they are hereby authorized to execute the said agreement with Goldfields Mining Corporation Limited (Non-Personal Liability) on behalf of the Company and to affix thereto the corporate seal of the Company, and to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

Shareholders' Resolutions

BE IT RESOLVED THAT the agreement made as of the 3rd day of July, 1963, between Goldfields Mining Corporation Limited (Non-Personal Liability) of the first part and the Company of the second part, providing for the sale by the Company to Goldfields Mining Corporation Limited (Non-Personal Liability) of certain of the assets and undertaking of the Company as a going concern for a consideration of One Million Seven Hundred and Fifty-five Thousand Nine Hundred and Seventy-eight (1,755,978) fully paid and non-assessable shares in the capital stock of Goldfields Mining Corporation Limited (Non-Personal Liability) upon the terms and conditions and all as more particularly set out in the said agreement, which agreement has been approved by the Board of Directors of the Company and has been executed on behalf of and under the corporate seal of the Company, be and the same is hereby approved, ratified and confirmed.

BE IT RESOLVED THAT:

1. The Company be and is hereby authorized to apply to the Lieutenant-Governor for an order accepting the surrender of its charter and declaring it to be dissolved on such date as the order may fix.
2. As incidental to the foregoing, the property of the Company be distributed rateably among the shareholders of the Company in specie according to their rights and interest in the Company, provided that the Company may at any time after six months from the passage of this resolution, and within one year from the passage of this resolution shall, convert into money any such property not theretofore distributed in specie by reason of any shareholder being unknown or his whereabouts being unknown and hold and distribute the money thus received for and to the benefit of the shareholders entitled thereto, and provided further and notwithstanding the foregoing that the Company may at any time hereafter and prior to any such distribution cause any of the property to be converted, exchanged or otherwise dealt with in accordance with any reorganization, consolidation, exchange, merger, offer or other such proposal relating thereto and thereafter cause to be distributed the property received in substitution therefor.
3. The directors and officers of the Company are hereby authorized and directed to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

HOWEY CONSOLIDATED MINES LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet

AS AT JUNE 15, 1963

ASSETS

CURRENT ASSETS:

Cash.....	1,284	
Dividends receivable.....	185,000	
Accounts receivable and prepaid expense.....	1,166	187,450

INVESTMENTS:

Marketable securities—at cost (quoted market value \$10,616,085).....	9,320,353	
Unquoted shares—at nominal value.....	1	
Service company—shares and debentures at cost.....	18,500	9,338,854

TOTAL CURRENT ASSETS AND INVESTMENTS.....		9,526,304
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FIXED ASSETS:

Buildings and machinery, fully depreciated—at nominal value.....	1	
Mining claims—at nominal value.....	1	2
		<u>\$9,526,306</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities.....	19,009	
Unclaimed capital repayments and dividends.....	10,715	
Loan payable—secured.....	203,500	233,224

SHAREHOLDERS' EQUITY:

Capital stock—		
Authorized—		
4,000,000 shares with a par value of \$1 each		
Issued and fully paid—		
2,000,000 shares.....	2,000,000	
Retained earnings.....	7,293,082	9,293,082
		<u>\$9,526,306</u>

Approved on behalf of the Board

"N. B. KEEVIL", *Director*

"J. H. WESTELL", *Director*

Auditors' Report to the Shareholders

We have examined the balance sheet of Howey Consolidated Mines Limited as at June 15, 1963 and the statement of earnings and retained earnings for the period from December 31, 1962 to that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of earnings and retained earnings, when read in conjunction with the notes thereto, present fairly the financial position of the company as at June 15, 1963 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada.
July 3, 1963.

MCDONALD, CURRIE & Co.,
Chartered Accountants.

HOWEY CONSOLIDATED MINES LIMITED

Statement of Earnings and Retained Earnings

FOR THE PERIOD FROM DECEMBER 31, 1962
TO JUNE 15, 1963

REVENUE:

Dividends.....	227,202
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EXPENDITURE:

Exploration.....	14,417
Administration.....	24,333
Salaries and retirement allowances.....	10,000
Directors' fees.....	3,500
Legal and audit.....	5,500
Transfer agent.....	600
Taxes.....	53
Secretarial services.....	1,500
Provision for distribution expenses (Note 1).....	5,000
	<u>64,903</u>

NET EARNINGS FOR THE PERIOD.....	162,299
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RETAINED EARNINGS—DECEMBER 31, 1962.....	<u>7,130,783</u>
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RETAINED EARNINGS—JUNE 15, 1963.....	<u><u>\$7,293,082</u></u>
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Marketable Securities

AS AT JUNE 15, 1963

	Number of shares	Quoted market value (Note 2)
Geco Mines Limited.....	100,000	2,950,000
The Teck-Hughes Gold Mines, Limited.....	260,000	470,600
Lamaque Gold Mines Limited.....	42,023	155,485
Canadian Devonian Petroleums Limited.....	1,600,000	7,040,000
		<u><u>\$10,616,085</u></u>

Notes to Financial Statements

FOR THE PERIOD FROM DECEMBER 31, 1962
TO JUNE 15, 1963

1. At a meeting held on May 14, 1963 the directors of the company agreed in principle to carry out a distribution of certain assets to shareholders, after receiving the necessary clearances from income tax and other authorities.
2. Because of the number of shares involved, the market value is not necessarily indicative of the amount that could be realized if the holdings were sold.

THIS AGREEMENT is made in duplicate as of the 3rd day of July, A.D., 1963.

BETWEEN:

GOLDFIELDS MINING CORPORATION LIMITED
(Non-Personal Liability),

hereinafter sometimes called "Goldfields",

OF THE FIRST PART,

—and—

HOWEY CONSOLIDATED MINES LIMITED,
hereinafter sometimes called "Howey",

OF THE SECOND PART.

WHEREAS Goldfields was incorporated under The Companies Act (Saskatchewan) and has an authorized capital of Ten Million (10,000,000) shares with a par value of One Dollar (\$1.00) per share, of which Eight Million Two Hundred and Forty-four Thousand and Twenty-two (8,244,022) shares have been issued and are presently outstanding;

AND WHEREAS Howey was incorporated under The Companies Act (Ontario) and has an authorized capital of Four Million (4,000,000) shares with a par value of One Dollar (\$1.00) per share, of which Two Million (2,000,000) shares have been issued and are presently outstanding;

AND WHEREAS Howey has agreed to purchase Two Hundred and Forty-four Thousand and Twenty-two (244,022) presently issued and outstanding shares of Goldfields for a total consideration of Forty-one Thousand Four Hundred and Eighty-three Dollars and Seventy-four Cents (\$41,483.74);

AND WHEREAS each of the parties hereto has furnished to the other a copy of its audited Balance Sheet in the case of Goldfields as of the 28th day of February, 1963, and in the case of Howey as of the 15th day of June, 1963, which are respectively represented as fully and truly disclosing the financial position of the respective companies as at those respective dates, and each of the parties has represented that no material change in its financial condition has occurred since those respective dates save in the ordinary course of business or as contemplated by the respective financial statements and save as aforesaid;

AND WHEREAS the parties hereto have the same or similar objects and Goldfields has offered to purchase certain of the undertaking, property and assets of Howey as a going concern on the terms and conditions hereinafter set out.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual agreements and covenants hereinafter contained it is agreed by and between the parties hereto as follows:—

1. Subject to the conditions hereof, Goldfields hereby agrees to purchase and Howey hereby agrees to sell all of the mineral properties and investments and all other rights, real and personal property and other assets as a going concern of Howey, save and except Howey's present total holdings in the capital stock of Canadian Devonian Petroleum Limited and Geco Mines Limited and its proposed total holdings in the capital stock of Goldfields hereinbefore referred to, for a consideration of One Million Seven Hundred and Fifty-five Thousand Nine Hundred and Seventy-eight (1,755,978) fully paid and non-assessable shares with a par value of One Dollar (\$1.00) each in the capital stock of Goldfields, together with the assumption by Goldfields of all liabilities of Howey (other than as hereinafter set out and any liabilities to capital stock and surplus) and without limiting the generality of the foregoing including the liability of Howey in the amount of Forty-one Thousand Four Hundred and Eighty-three Dollars and Seventy-four Cents (\$41,483.74) hereinbefore referred to and including any continuing payments already being made and approved by the Board of Directors of Howey respecting retirement allowances for former officials of Howey.

2. The purchase and sale herein shall take place as of the date of this agreement, from which date until the closing date hereinafter referred to, Howey shall be deemed to have acted and carried on its business for and on behalf of Goldfields and at the cost and for the benefit of Goldfields save and except in respect of those assets of Howey hereinbefore specifically excluded from this purchase and sale. Goldfields covenants to indemnify Howey in respect of all liabilities incurred by Howey during the said period and arising from the operation of such business of Howey up to the closing date.

3. The purchase and sale shall be closed at Suite 1000, 11 Adelaide Street West, Toronto, Ontario, on September 25, 1963, or on such earlier or later date as may be mutually agreed upon in writing by the parties hereto, which date or earlier or later date as may be agreed upon is herein sometimes referred to as "the closing date".

4. On the closing date, against delivery by Goldfields to Howey of the share consideration hereinbefore referred to, Howey shall deliver to Goldfields such transfers of mineral claims and investments and such other deeds, conveyances, assurances, transfers, assignments and consents as may reasonably be required to vest in Goldfields all the right, title and interest of Howey in the assets of Howey which are the subject of this purchase and sale, and Goldfields shall deliver to Howey agreements of indemnity in respect of the matters dealt with in paragraphs 2 and 6 hereof. Howey represents that as of the date hereof it has no undistributed income on hand within the meaning of the Income Tax Act (R.S.C. Chapter 148) nor any liability for Canadian income tax, and agrees that Goldfields in assuming the liabilities of Howey hereunder shall not be taken to have assumed any liability for income tax payable by Howey or by any of its shareholders, whether in the normal course of business or as a result of the distribution contemplated by paragraph 6 hereof.

5. Goldfields hereby specifically waives compliance by Howey with the requirements of The Bulk Sales Act of the Province of Ontario.

6. Forthwith after the closing date Howey shall commence to wind up its affairs and to distribute its remaining assets proportionately to its shareholders, and thereafter to surrender its charter, and Goldfields covenants to indemnify Howey in respect of all costs and expenses incurred by Howey in this connection and otherwise in connection with the negotiation of this agreement.

7. This agreement and each of the covenants herein contained are conditional upon the following, namely:

- (a) The confirmation by the shareholders of Goldfields, at a General Meeting thereof duly and properly called for the purpose, of a resolution approving this agreement of purchase and sale;
- (b) The confirmation by the shareholders of Howey, at a Special General Meeting thereof duly and properly called for the purpose, of a special resolution to approve this agreement of purchase and sale and of a resolution to approve the winding up of its affairs and surrender of its charter; and
- (c) The necessary approvals and acceptances of the Toronto Stock Exchange being obtained in respect of this agreement of purchase and sale.

The parties hereto shall take such actions as may be necessary to give effect to this agreement, and in particular to cause to be called the necessary meetings of their respective shareholders and to file such documents as may be required by the Toronto Stock Exchange to the intent that each of such conditions shall have been met by the closing date, and in the event that each and every of such conditions shall not have been met by such date, this agreement shall be null and void and neither party shall have any claim against the other in respect hereof or of any of the covenants or agreements herein contained.

8. Time shall be of the essence of this agreement.

IN WITNESS WHEREOF this agreement has been executed.

SIGNED, SEALED AND DELIVERED
in the presence of:

GOLDFIELDS MINING CORPORATION LIMITED
(Non-Personal Liability)

Per: "J. C. FRANTZ"

Wice-President

(C.S.)

"D. S. BROWN"

Treasurer

HOWEY CONSOLIDATED MINES LIMITED

Per: "N. B. KEEVIL"

President

(C.S.)

"R. MICHAEL BUTLER"

Secretary

GOLDFIELDS MINING CORPORATION LIMITED

(Non-Personal Liability)

Statement of Earnings and Retained Earnings

FOR THE YEAR ENDED FEBRUARY 28, 1963

INCOME

Dividends.....	100,318	
Interest.....	<u>21,133</u>	121,451

EXPENDITURE

Exploration and development—		
Examination—Outside properties.....	38,588	
Geophysical surveys.....	6,578	
Aerial photography and photo interpretation.....	2,001	
Prospecting participations.....	2,696	
Miscellaneous.....	<u>2,896</u>	
	52,759	
Refund of prior year's prospecting participation.....	<u>2,732</u>	
	50,027	
Administrative—		
Administrative services and rent.....	16,545	
Legal and audit.....	200	
Transfer agents' fees.....	1,339	
Meetings and reports.....	1,364	
Corporation fees and taxes.....	859	
Listing fees.....	150	
Miscellaneous.....	306	
Secretarial fees.....	1,800	
Directors' fees.....	1,200	
Travel.....	<u>287</u>	
	24,050	74,077

NET EARNINGS FOR THE YEAR.....		47,374
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RETAINED EARNINGS—FEBRUARY 28, 1962.....		38,890
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RETAINED EARNINGS—FEBRUARY 28, 1963.....		<u>\$ 86,264</u>
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Marketable Securities and Pro Forma Marketable Securities

AS AT FEBRUARY 28, 1963

	Marketable securities		Pro forma Marketable securities	
	Number of shares	Quoted market value (Note 3)	Number of shares	Quoted market value (Note 3)
Inmont Copper Mines Limited.....	216,500	8,660	216,500	8,660
Jamaican Mining Limited.....	150,000	2,250	150,000	2,250
Lamaque Gold Mines Limited.....	—	—	42,023	157,586
Silverfields Mining Corporation Limited (not including escrowed shares).....	30,000	16,500	30,000	16,500
The Teck-Hughes Gold Mines, Limited.....	1,125,815	1,902,628	1,385,815	2,342,027
		<u>\$1,930,038</u>		<u>\$2,527,023</u>

GOLDFIELDS MINING

(Non-Personal)

(Incorporated under the

Balance Sheet and Pro Forma Balance Sheet

ASSETS

	Balance sheet	Pro forma balance sheet (Note 1)
CURRENT ASSETS		
Cash.....	40,204	41,488
Short-term notes and deposits.....	250,000	250,000
Loan receivable—secured.....	34,000	34,000
Dividends receivable.....	—	185,000
Accounts receivable and prepaid expense.....	487	1,653
	<u>324,691</u>	<u>512,141</u>
INVESTMENTS		
Marketable securities—at cost, less amounts written off (quoted market value \$1,930,038; pro forma balance sheet—\$2,527,023) (Note 3).....	1,900,812	2,526,897
Unquoted and escrowed shares—at nominal value.....	1	2
Service company—shares and debentures at cost, less amounts written off.....	3,575	22,075
	<u>1,904,388</u>	<u>2,548,974</u>
TOTAL CURRENT ASSETS AND INVESTMENTS.....	<u>2,229,079</u>	<u>3,061,115</u>
FIXED ASSETS		
Buildings and machinery, fully depreciated—at nominal value.....	—	1
Mining claims and interests (Note 2).....	100,000	100,001
	<u>100,000</u>	<u>100,002</u>
	<u><u>\$2,329,079</u></u>	<u><u>\$3,161,117</u></u>

Notes to Balance Sheet and Pro Forma Balance Sheet AS AT FEBRUARY 28, 1963

1. Pro forma transaction:

The pro forma balance sheet as at February 28, 1963 gives effect to the purchase of all of the assets of Howey Consolidated Mines Limited (Howey) except for its shares in Canadian Devonian Petroleum Limited, Geco Mines Limited and Goldfields Mining Corporation Limited, in consideration of the issue of 1,755,978 \$1 par value treasury shares of the company at a discount of \$1,198,648 and the assumption by the company of all of Howey's liabilities totalling \$274,708. The amounts at which these assets and liabilities have been recorded on the pro forma balance sheet are based on audited financial statements of Howey as at June 15, 1963 including marketable securities at their market values at that date.

2. The amount shown for mining claims and interests represents costs to date less amounts written off and is not intended to reflect present or future values.

3. The market values shown for the investments are based upon closing market prices at February 28, 1963. Because of the number of shares involved, these values are not necessarily indicative of the amount that could be realized if the investments were sold.

CORPORATION LIMITED

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ce Sheet as at February 28, 1963

LIABILITIES

	Balance sheet	Pro forma balance sheet (Note 1)
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,304	63,797
Unclaimed capital repayments and dividends of Howey Consolidated Mines Limited	—	10,715
Loan payable—secured	—	203,500
	<u>3,304</u>	<u>278,012</u>
SHAREHOLDERS' EQUITY		
Capital stock—		
Authorized—		
10,000,000 shares of a par value of \$1 each		
Issued and fully paid—		
Balance sheet—		
8,244,022 shares	8,244,022	
Pro forma balance sheet—		
10,000,000 shares (Note 1)		10,000,000
Discount on shares	<u>6,004,511</u>	<u>7,203,159</u>
	2,239,511	2,796,841
Retained earnings	<u>86,264</u>	<u>86,264</u>
	2,325,775	2,883,105
Approved on Behalf of the Board		
“N. B. KEEVIL” } “J. C. FRANTZ” } <i>Directors</i>		
	<u>\$2,329,079</u>	<u>\$3,161,117</u>

Auditors' Report to the Shareholders

July 3, 1963

We have examined the balance sheet and pro forma balance sheet of Goldfields Mining Corporation Limited (Non-Personal Liability) as at February 28, 1963 and the statement of earnings and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company:

- (1) All the transactions of the company that have come to our notice have been within the objects and powers of the company,
- (2) The accompanying balance sheet and statement of earnings and retained earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at February 28, 1963 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, and
- (3) The accompanying pro forma balance sheet, when read in conjunction with the notes appended thereto, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at February 28, 1963 in accordance with generally accepted accounting principles, after giving effect to the transaction set forth in Note 1.

MCDONALD CURRIE & CO.
Chartered Accountants



HOWEY CONSOLIDATED MINES LIMITED

Notice of Annual and Special General Meeting

TAKE NOTICE that the Annual and a Special General Meeting of the Shareholders of Howey Consolidated Mines Limited ("the Company") will be held on the Eleventh Floor, Board of Trade Building, 11 Adelaide Street West, Toronto, Ontario, Canada, on Monday, the 26th day of August, 1963, at the hour of 3.15 o'clock in the afternoon, Eastern Daylight Saving Time, for the following purposes:

1. To receive and consider the Annual Report of the Company, containing the financial statements for the fiscal year ended December 31, 1962 and the report of the auditors;
2. To elect directors of the Company;
3. To appoint auditors of the Company and to authorize the directors to fix their remuneration;
4. To consider and, if thought advisable, to confirm with or without variation, a special resolution passed by the directors of the Company on the 30th day of July, 1963, approving the Company entering into an agreement dated as of the 3rd day of July, 1963, with Goldfields Mining Corporation Limited (Non-Personal Liability) ("Goldfields") providing for the disposal of certain of the Company's assets and undertaking as a going concern to Goldfields in consideration of the issuance to the Company of 1,755,978 fully paid and non-assessable shares of Goldfields. True copies of the said special resolution and the said agreement are contained in the Explanatory Information hereinafter referred to.
5. By reason of the interests of some of the directors of the Company set out below, to consider and, if thought advisable, to confirm specifically the said agreement with Goldfields. A copy of the proposed form of resolution for this purpose is contained in the said Explanatory Information.
6. To consider passing a resolution authorizing an application for an order accepting the surrender of the charter of the Company and, as incidental thereto, the distribution rateably among the shareholders of the Company of the property of the Company. A copy of the proposed form of resolution is contained in the said Explanatory Information.
7. To transact such further or other business as may properly come before the meeting or any adjournment thereof.

Messrs. N. B. Keevil and J. H. Westell and Sir Michael Butler, Bart., directors of the Company, hereby each declare their interest in the said agreement between Goldfields and the Company in that they each are shareholders and directors of Goldfields.

Enclosed herewith is a booklet containing the Annual Report of the Company. Also enclosed is a further booklet entitled "Explanatory Information" in which are contained true copies of the special resolution and the agreement between Goldfields and the Company hereinbefore referred to and copies of the proposed forms of resolution relating to the agreement between Goldfields and the Company and the surrender of the charter of the Company, together with other explanatory material and relevant financial statements of the Company and Goldfields.

Shareholders are entitled to vote at the meeting either in person or by proxy in accordance with the provisions of The Corporations Act (Ontario). Enclosed herewith is a form of Instrument of Proxy which contains not only the names of certain of the directors of the Company but also a space for the insertion by any shareholder if he so desires of the name of another proxy of his choice. Shareholders who are unable or who are not expecting to be present at the meeting are urged to complete and return the aforesaid Instrument of Proxy to the Company forthwith in the enclosed self-addressed envelope (postage prepaid in Canada).

DATED at Toronto, Ontario, Canada, this 31st day of July, 1963.

By Order of the Board

R. MICHAEL BUTLER
Secretary

AUG 13 1963

HOWEY CONSOLIDATED MINES LIMITED

PROXY

The undersigned shareholder of Howey Consolidated Mines Limited hereby nominates, constitutes and appoints N. B. Keevil, whom failing, J. H. Westell, whom failing, D. A. Perigoe, as proxy of the undersigned, to attend, act and vote for and on behalf of the undersigned at the Annual and Special General Meeting of the Company to be held on Monday, the 26th day of August, 1963, and at any adjournment thereof, unless and until the undersigned is present in person thereat, and the undersigned hereby revokes any former instrument appointing a proxy at the said meeting or any adjournment thereof.

DATED this day of August, 1963.

.....
(Signature of Shareholder)

NOTE: Where the proxy is executed by a corporation its common seal must be affixed.

